

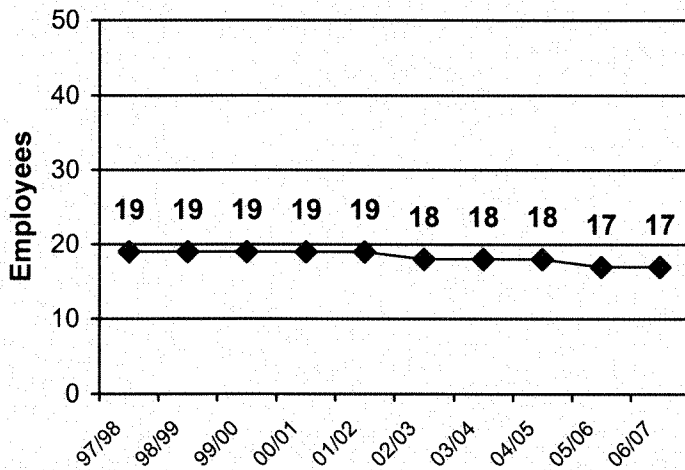
**MISSION STATEMENT**

San Luis Obispo County Parks Division operates and maintains 18-hole championship golf courses to enhance opportunities for recreation and personal enrichment of the County's residents and visitors.

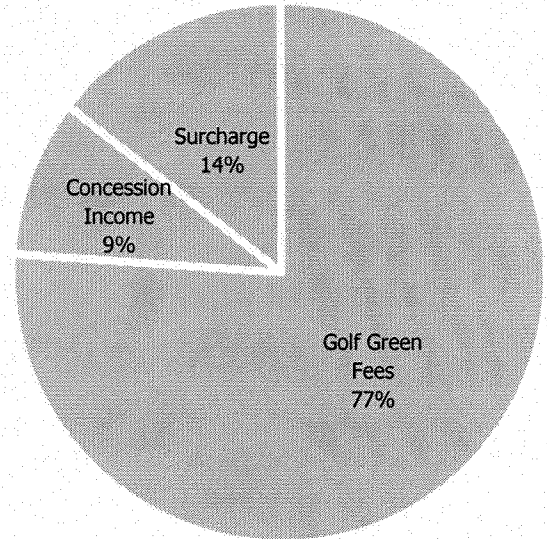
## SCHEDULE 11

OPERATING DETAIL	ACTUAL	ESTIMATED	PROPOSED	RECOMMENDED
	2004-05	2005-06	ESTIMATES	ESTIMATES
(1)	(2)	(3)	2006-07	2006-07
			(4)	(5)
REVENUES:				
OPERATING REVENUES				
Golf Green Fees	2,011,877	2,158,045	2,377,879	2,377,879
Concessionaire Income	239,884	303,944	291,000	291,000
Green Fee Surcharge	429,692	485,498	450,990	450,990
Miscellaneous	9,438	7,400	7,520	7,520
TOTAL OPERATING REVENUES	2,690,891	2,954,887	3,127,389	3,127,389
NONOPERATING REVENUES				
State Aid - Prop 12	75,254	0	0	0
State Aid - Nuclear	0	0	0	0
Interest	19,535	14,700	14,700	14,700
Rental Income-Bldg.	0	0	0	0
Sale of Fixed Assets	0	0	0	0
Other	29,354	0	0	0
Transfer in fm GF for Equip	0	0	0	0
Residual Equity Trans In	100,272	0	0	0
TOTAL NONOPERATING REVENUES	224,415	14,700	14,700	14,700
TOTAL REVENUES	2,915,306	2,969,587	3,142,089	3,142,089
EXPENSES:				
OPERATING EXPENSES				
Salaries and Benefits	1,280,778	1,332,145	1,452,788	1,452,788
Services and Supplies	1,087,876	904,702	1,018,758	1,018,758
Depreciation	381,754	389,880	380,342	380,342
TOTAL OPERATING EXPENSES	2,750,408	2,626,727	2,851,888	2,851,888
NONOPERATING EXPENSES				
Transfer to DSF-Interest	354,275	347,350	340,200	340,200
Transfer to DSF-Principal	195,000	200,000	210,000	210,000
Issuance Costs	5,873	0	0	0
Transfer Out	111,722	0	0	0
TOTAL NONOPERATING EXPENSES	666,870	547,350	550,200	550,200
TOTAL EXPENSES	3,417,278	3,174,077	3,402,088	3,402,088
NET INCOME (LOSS)	(501,972)	(204,490)	(259,999)	(259,999)
FIXED ASSET EXPENDITURES				
Equipment	30,686	110,000	90,400	90,400
Structures, Improvements	0	0	0	0
TOTAL FIXED ASSET EXPENDITURES	30,686	110,000	90,400	90,400

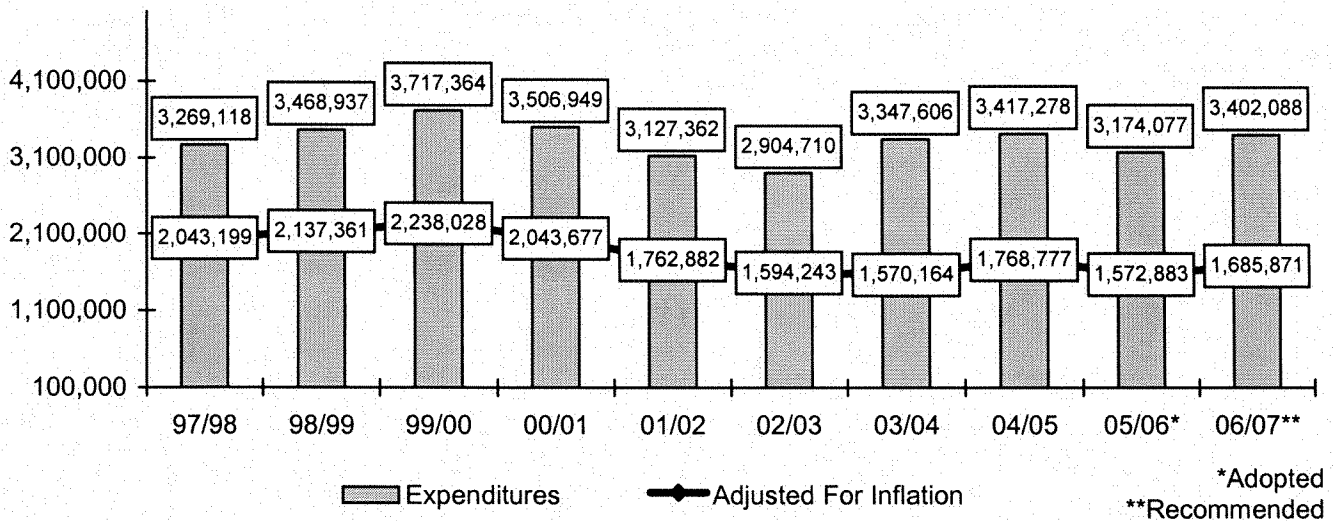
**Number of Employees**  
(Full Time Equivalent)



**Source of Funds**



**10 Year Expenditures Adjusted For Inflation**



### SERVICE PROGRAMS

#### **Morro Bay Golf Course**

Operate and maintain the Morro Bay Golf Course, which is leased from the State of California. Supervise the performance of County employees and contracted concessionaires to enhance customer satisfaction, maintain quality control, and ensure safe, cost-effective, and efficient operation of the courses.

Total Expenditures: \$1,386,835 Total Staffing (FTE): 8.5

#### **Chalk Mountain Golf Course**

Own, operate, and maintain the Chalk Mountain Golf Course. Supervise the performance of contracted concessionaire to enhance customer satisfaction, maintain quality control, and ensure safe, cost-effective, and efficient operation of the courses.

Total Expenditures: \$4,481 Total Staffing (FTE): 0

**Dairy Creek Golf Course**

Own, operate, and maintain the Dairy Creek Golf Course. Supervise the performance of County employees and contracted concessionaires to enhance customer satisfaction, maintain quality control, and ensure safe, cost-effective, and efficient operation of the courses.

Total Expenditures: \$1,741,583 Total Staffing (FTE): 8.5

**DEPARTMENT COMMENTS**

The County Golf Courses Division of General Services exists to operate and maintain 18-hole championship golf courses to enhance opportunities for recreation and personal enrichment of the County's residents and visitors.

**Examples of results achieved in the past year: FY 2005-06**

**Customer Service –** Annual surveys of golf course users measure public opinion about the condition and quality of those facilities, the quality of staff service and the overall recreation experience of users. Most recent surveys indicate over 90% of respondents rate the overall value as "satisfactory" to "excellent". Additionally, Dairy Creek Golf Course received Audubon Cooperative Sanctuary Status this past year. This designation comes through Audubon International and is indicative of outstanding achievement in environmental stewardship in preserving and enhancing wildlife habitat and natural resources.

**Internal Business Processing Improvements –** A new golf course reservation and point of sales system was installed which allows both local and regional on-line reservations, improved customer transaction tracking and the potential to launch email advertising.

**Financial Improvements –** The County Golf Courses joined a conglomeration of golf operators in San Luis Obispo County to form the Central Coast Golf Trails. This partnership, under the guidance of the SLO Visitor and Conference Bureau, has established an advertising budget for regional and national promotion of golf on the central coast. This venture will enhance tourism in San Luis Obispo County and help sustain the economic stability of the County golf program.

**Employee Development –** Staff members are continually encouraged to attend County-sponsored development opportunities offered through the Employee University and National Management Association (NMA). Several employees are currently enrolled in classes and taking full advantage of these opportunities.

**Major Focus for FY 2006-07**

**Customer Service –** County Golf Courses Division will continue to survey golf course users to measure public opinion on the user's overall recreation experience with the goal of maintaining high satisfaction ratings despite continuing financial challenges in the golf industry.

**Internal Business Processing Improvements –** Explore opportunities to develop and expand electronic services, communication and promotions to our customer base utilizing the new point of sales/reservations system.

**Financial Improvements –** Continued involvement in the Central Coast Golf Trails to increase tourist traffic and promote our product on a regional and national level.

**Employee Development –** Continued support and encouragement of staff in attending County-sponsored training opportunities. Off-site training opportunities will be considered if funds are available.

**COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS**

A division of the Department of General Services, Fund Center 427 - Golf Courses is an enterprise fund and does not receive any General Fund support. Enterprise funds charges user fees for their services. The recommended budget includes the continuation of existing staff and services. Expenditures are recommended to increase by 10%, or \$300,364 primarily due increased salary and benefits costs, equipment replacement as well as debt service payments for Dairy Creek Golf Courses being budgeted for the first time as part of the operating budget at the request of the Auditor-Controller's Office. A portion of the concessionaire and green fee surcharge revenue are used to pay Dairy Creek's debt service.

**GOALS AND PERFORMANCE MEASURES**

**Department Goal:** Cost-effectively operate and maintain County public golf courses to enhance recreational opportunities for residents and visitors.

**Communitywide Result Link:** A livable community.

**1. Performance Measure: Annual operating costs per golf round played at County-managed golf courses.**

01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
\$14.26/round	\$20.34/round	\$17.92/round	\$18.18/round	\$18.00/round	\$18.11/round	\$18.15/round

**What:** The ratio of total operating expenses (salaries/benefits, services/supplies, depreciation and fixed assets) to the total number of rounds played at County-managed golf courses.

**Why:** This figure reflects the efficiency of our financial commitment to the visitors playing at County golf courses. This benchmark is useful in assessing fee structure as well as assessing the value of services provided in a very competitive market.

**How are we doing?** Projections for FY 05-06 and the target for FY 06-07 reflect the nationwide, stagnant golf market. Indications from the first quarter of the current fiscal year suggest some recovery in rounds played, however, that recovery does not appear to be as aggressive as projections made last year for this period. The slight increase in next year's target number reflects increases in uncontrollable costs such as Countywide Overhead rates, salaries, utilities and insurance. Rounds played are not expected to increase at a rate proportionate to those cost increases.

**Department Goal:** Design and implement programs that enhance golfing opportunities at a reasonable cost for residents and visitors to ensure customer satisfaction.

**Communitywide Result Link:** A livable community.

**2. Performance Measure: The total number of golf rounds played at County managed golf courses.**

01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
185,573	175,888	165,663	151,168	160,000	155,500	160,000

**What:** This measurement looks at the total number of rounds played at all three County golf courses relative to the prior year.

**Why:** The ultimate measure of success for our golf program is reflected in the volume of play we can attract in this very competitive golf market. While subject to weather and the general economy, generally speaking, rounds played reflect both the quality of the golf experience we provide and the perceived value of that experience.

**How are we doing?** New competition in the local market and a slow recovery of the regional economy continue to put downward pressure on the total number of rounds played; dramatically increased fuel costs are also expected to negatively influence the public's discretionary spending. However, the first quarter of FY 05-06 is showing some signs of improvement in the total number of rounds played although not as much as was projected last year at this time.

**3. Performance Measure: Percentage of annual survey respondents who rate the overall value of County Golf courses as "satisfactory" to "excellent".**

01-02 Actual Results	02-03 Actual Results	03-04 Actual	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
99%	99%	99%	98%	95%	95%	96%

**What:** Annual surveys of golf course users measure public opinion about the condition and quality of those facilities, the quality of staff service and the overall recreation experience of users. This measure focuses on the users' overall recreation experience.

**Why:** All the efforts of staff to provide quality, safe facilities ultimately come down to the satisfaction of facility users and County residents and their perceptions about how well we are meeting their needs. Periodic surveying of regular users helps staff better measure those opinions.

**How are we doing?** Reduced levels of maintenance resulting from reduced available funding are still expected to have a negative impact on customer satisfaction compared to prior years. However, survey results continue to show the levels of satisfaction with the perceived value of County golf courses is quite high, particularly compared with comparable services in the local market.